

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

Colin Sholes, *et al.*,

Plaintiffs,

v.

Torchlight Technology Group, LLC, *et al.*,

Defendants.

Case No. 2:21-cv-04187-JHS

**MEMORANDUM OF LAW OF DEFENDANTS TORCHLIGHT TECHNOLOGY
GROUP, LLC AND INDEPENDENCE HOLDING COMPANY IN SUPPORT OF
MOTION TO DISMISS PLAINTIFFS' COMPLAINT AND FOR FEES AND COSTS**

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Technology Group, LLC and
Independence Holding Company*

I. INTRODUCTION

Defendants Torchlight Technology Group, LLC (“TTG”) and Independence Holding Company (“IHC”) (collectively, “Moving Defendants”) submit this Memorandum of Law in support of their Motion for an Order, pursuant to Federal Rule of Civil Procedure 12(b)(6), dismissing Plaintiffs’ First Amended Civil Action Complaint (the “Complaint”) and, pursuant to Federal Rule of Civil Procedure 41(d), awarding Moving Defendants their costs and attorneys’ fees incurred in defending the two prior complaints docketed in *Sholes, et al. v. Torchlight Technology Group, LLC, et al.*, No. 2:21-cv-01294 (GJP), and for such other and further relief this Court deems just and proper.

II. PLAINTIFFS’ COMPLAINT SHOULD BE DISMISSED AND FEES AND COSTS AWARDED TO MOVING DEFENDANTS

In their Complaint, Plaintiffs assert causes of action against TTG for Declaratory Judgment (Count I), Willful Breach of Contract (Count II), Unjust Enrichment; Quantum Meruit (Count III), Copyright Infringement (Count IV), Fraud in the Inducement (Count V), Breach of Fiduciary Duties (Count VI), Fraud; Conversion, Theft and Embezzlement (Count VII), Civil Conspiracy (Count VIII), and Unfair Competition (Count XI).¹ Plaintiffs also assert causes of action against IHC for Declaratory Judgment (Count I), Unjust Enrichment; Quantum Meruit (Count III), Copyright Infringement (Count IV), and Unfair Competition (Count XI).

On October 13, 2021, co-defendants Helene Seydoux, Andrew Guy and Matthew Morano (“Co-Defendants”) filed their Motion to Dismiss the Complaint and for Fees and Costs (Dkt. 2), along with their Memorandum of Law in Support of the same (Dkt. 2-2). On October 28, 2021, Plaintiffs filed their Opposition to Co-Defendants’ Motion to Dismiss (Dkt. 6). On November 4,

¹ Moving Defendants note that Unfair Competition is improperly identified as “Count XI” in the Complaint, not “Count IX,” but in any event, Moving Defendants refer to it as Count XI in this Motion for consistency with the Complaint and Co-Defendants’ Motion to Dismiss.

2021, Co-Defendants filed their reply (Dkt. 8). The nine causes of action asserted against the Co-Defendants are the same causes of action that have been asserted against TTG, and four of those causes of action have been asserted against IHC (Counts, I, III, IV and XI). Co-Defendants' Motion to Dismiss has been fully briefed and is pending before this Court.

The Moving Defendants respectfully submit that the Complaint should be dismissed against them for the reasons set forth by the Co-Defendants in their Motion to Dismiss. Therefore, in the interest of judicial economy and brevity, the Moving Defendants respectfully incorporate the Introduction, Procedural Background, legal arguments and supporting citations set forth in Co-Defendants' Motion to Dismiss with respect to each of the Counts asserted against Moving Defendants.² For the reasons stated therein, Moving Defendants respectfully submit that Plaintiffs have failed to state any claims against TTG upon which relief can be granted with respect to Counts I-VIII and Count XI, and they have failed to state any claims against IHC upon which relief can be granted with respect to Counts I, III, IV and XI. Moving Defendants also submit that they should be awarded their fees and costs incurred defending the two prior actions for the reasons set forth by the Co-Defendants.

WHEREFORE, Moving Defendants respectfully request that the Court issue an Order granting this Motion to Dismiss, dismissing Plaintiffs' Complaint in its entirety, with prejudice, awarding Moving Defendants the fees and costs they incurred in defending the two prior

² More specifically, the entirety of Section IV of the Co-Defendants' Motion to Dismiss is incorporated by reference in this Motion, except for the portion of Section IV.C.3 in the Co-Defendants' Motion to Dismiss stating that the Co-Defendants are not parties to the Agreements, as TTG acknowledges that it was in fact a party to those Agreements.

complaints docketed at *Sholes, et al. v. Torchlight Technology Group, LLC, et al.*, No. 2:21-cv-01294 (GJP), and for such other and further relief this Court deems just and proper.

Dated: New York, New York
December 7, 2021

Respectfully submitted,

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